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Agricultural Land Base Rates for the Assessment Dates: March 1, 2003 – 2010

| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------|---------|------|------|------|----------|---------|---------|---------|------|------|------|------|------|
| Tax Year | | | | | | | | | | | | | |
| 2010 Pay 11 | | | | | | | | \$1,290 | | | | | |
| 2009 Pay 10 | | | | | | | \$1,250 | | | | | | |
| 2008 Pay 09 | | | | | | \$1,200 | | | | | | | |
| 2007 Pay 08** | | | | | \$1140** | | | | | | | | |
| 2006 Pay 07* | | | | | | \$880* | | | | | | | |
| 2005 Pay 06 | | | | | \$880 | | | | | | | | |
| 2004 Pay 05 | \$1,050 | | | | | | | | | | | | |
| 2003 Pay 04 | \$1,050 | | | | | | | | | | | | |

The Agricultural Land Base Rate calculation was first established for the 2002 general reassessment and was developed in compliance with *State Board of Tax Commissioners v. Town of St. John*, 702 N.E.2d 1034, 1040 (Ind. 1998) using the methodology described below. The statute related to the base rate calculation can be found at IC 6-1.1-4-4.5(e).

The calculations made for 2007 pay 2008, 2008 pay 2009, 2009 pay 2010, and 2010 pay 2011 are based on a rolling six-year average of market value-in-use. (Note: Per Senate Enrolled Act (SEA) 396-2010, the highest year of the six-year average is excluded in the calculation starting with the March 1, 2010 assessment.) Prior calculations were made based on a four-year rolling average. As illustrated in the following equation, the market value-in-use of agricultural land is calculated by dividing the net income of each acre by the appropriate capitalization rate.

$$\text{Market value-in-use} = \text{Net Income} \div \text{Capitalization Rate}$$

The change in market value-in-use is based on changes in cash rent, yields, production costs, market prices and interest rates. For example, the change for 2010 pay 2011 was the result of the removal of the 2001 data and the addition of the 2007 data. (Note: 2007 was not used in the calculation for the March 1, 2010 base rate.)

Net Cash Rents increased from \$102 in 2001 to \$122 on 2007. Yields for corn decreased slightly from 156 bushels in 2001 to 155 bushels in 2007 and yields for soybeans decreased from 49 bushels in 2001 to 45 bushels in 2007. Prices for corn increased considerably from \$1.90 in 2001 to \$3.17 in 2007 (market year average) and prices for soybeans also increased considerably from \$4.61 in 2001 to \$6.53 in 2007 (market year average). Interest rates also dropped from 8.01% in 2001 to 7.94% in 2007, which would slightly increase market value under the income approach.

****March 1, 2007 payable in 2008:**

SEA 327-2005 required changing the four-year rolling average to a six-year rolling average for 2007 pay 2008 and beyond. IC 6-1.1-4-4.5(e)

***March 1, 2006 payable in 2007**

SEA 327-2005 froze the base rate for the March 1, 2006 assessment date at \$880. (The unpublished base rate had been calculated at \$1,050 and was based on data from 2000, 2001, 2002, and 2003.)